

ARIZONA SENATE DEMOCRATIC CAUCUS



ARIZONA STATE LEGISLATURE
1700 WEST WASHINGTON
PHOENIX, ARIZONA 85007

July 9, 2021

Matthew J. Neubert
Executive Director
Arizona Corporation Commission
1300 W. Washington St.
Phoenix, AZ 85007

Dear Mr. Neubert,

The Senate Democratic Caucus is in receipt of your June 11, 2021 letter requesting answers to questions about legislative action relating to assistance for communities impacted by the closure of fossil-based generation plants.

The members of the Democratic Caucus are acutely aware of the economic hardships faced by communities impacted by coal plant closures, including those in the Northeastern region of the state where mostly indigenous communities have borne the brunt of these closures. The Caucus also recognizes the urgent need for swift action to address the climate emergency by reducing Arizona's reliance on fossil fuels in every sector of the economy—especially in the electric utility sector. While we lament the failure of last year's proposal to require 100% of regulated utilities' net generation to be carbon-free by 2050, the Caucus applauds the Commission's commitment to reforming the current renewable energy standards while recognizing the need to provide assistance to communities affected by coal plant closures.

To date, this request for comment is the Commission's first correspondence with our members on this topic and neither the Commission nor any regulated utility has requested assistance from members of the Democratic Caucus for affected communities. As such, no related legislation has been drafted. Instead, the Caucus has been forced to focus its efforts on fighting legislation introduced by the legislative majority that would strip the Commission of its ability to enact clean energy rules altogether. This legislation also would have likely tied the Commission's hands in terms of its ability to provide assistance to employees and communities affected by a regulated utility's voluntary decision to close a fossil-based generation plant.

In the absence of any action to provide assistance to affected communities by the legislative majority, the recent Arizona Supreme Court ruling in *Johnson Utilities v. Arizona Corporation Commission* affirms the Commission's permissive authority to "make and enforce reasonable rules, regulations, and orders for the convenience, comfort, and safety, and the preservation of the health, of the **employees** and patrons." However, as evidenced by the spending package approved by the Legislature and the Governor just last week, the Legislature is clearly well-situated to step in and assist the Commission in addressing this issue.

Facilitating a just and equitable transition will require the inclusion of a broad group of stakeholders that includes, at a minimum, impacted Native American tribes, employees, educational institutions and electric utilities—both those regulated by the Commission and those regulated by the Legislature. Moreover, a just and equitable transition necessitates an all-of-government response from elected officials at all levels and within all branches. Please know that Senate Democrats are willing and eager to work on this issue and we look forward to further collaboration and partnership with the Commission.

Respectfully,



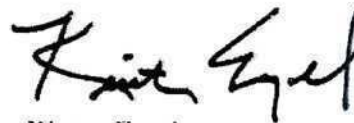
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State Senator, Legislative District 9



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